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NSC BRIEFING

26 May 1959

INDONESIA

- I. Constituent Assembly wrangling over latest version Sukarno's "guided democracy" concept--adoption of 1945 constitution which would increase executive powers, diminish those of parliament.
- A. Both army and political leaders claim critical period is likely end of this week but none is willing to predict outcome.
  - B. Balance of powers in Constituent Assembly is such that two-thirds majority for or against constitution may not be achieved, thus bogging down Assembly in typical Indonesian stalemate.
  - C. Should this happen, numerous reports suggest army will take action to dissolve Assembly and proclaim 1945 constitution by decree.
  - D. Prime Minister Djuanda's speech of 21 May giving government's reply to preceding debates, however, was mixture of firmness and reason with hints government is willing to compromise on minor points.
- II. Attacks by dissidents continue against estate area in North Sumatra in effort obstruct or paralyze production and deny revenues to Djakarta treasury.
- A. One target is Goodyear's 40,000 acre Wingfoot estate, one of largest in world.

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